

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7081**

**BILL NUMBER:** HB 1359

**NOTE PREPARED:** Jan 5, 2006

**BILL AMENDED:**

**SUBJECT:** Notice of Business Closure.

**FIRST AUTHOR:** Rep. Brown C

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires certain employers to give written notice before plant closings and mass layoffs.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** The bill requires employers of more than 50 employees to give at least a 60-day notice in writing of a plant closing or mass layoff.. The failure to give proper notice is a Class C infraction.

The impact on the state would be as an employer and would probably be minor.

**Explanation of State Revenues:** If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:** The impact on local governments would be as an employer and would probably be minor.

**Explanation of Local Revenues:** If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** All.

**Local Agencies Affected:** Trial courts, local law enforcement agencies, all local governments with more than 49 employees.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.